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Marketplace

'Cigalett' Mints Target Customers Who Want Alternative to Cigarettes

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They're the size of Tic Tacs and taste like mints. But they pack a wallop of nicotine.

Upstart cigarette maker **Star Scientific Inc.** is making the small lozenges from powdered tobacco mixed with eucalyptus and mint flavorings. The company's goal: To supply nicotine to smokers at work, on airplanes and in other situations where they can't light up.

Star says it will test-market its new product, named **Ariva**, in Dallas and Richmond, Va., in late August or early September. A box of Ariva will go for about \$3 -- the same as the average pack of premium cigarettes -- and contain 20 pieces, or "cigaletts," as the company calls them.

Star believes there will be huge demand for its hard-tobacco pellets as restrictions on smoking mount. **Brown & Williamson Tobacco Corp.**, the country's third-largest cigarette maker, also sees potential. B&W, a unit of **British American Tobacco PLC** of London, has signed an agreement that gives it the right to sell Star's hard-tobacco products under its own brand name in the U.S. B&W will pay royalties to Star, which would sell Ariva itself.



Ariva will contain 20 lozenges that blend powdered tobacco with eucalyptus and mint flavorings.

Meanwhile, **UST Inc.**, the country's largest smokeless-tobacco company, hopes to lure smokers with a new kind of oral-tobacco product, which it says eliminates users' need to spit. The maker of **Skool** and **Copenhagen** snuff declined to further describe the product, headed for test markets in October, for fear of tipping off rivals.

The advent of Ariva and similar products marks a significant step toward the emergence of a market not for tobacco but for nicotine. And antitobacco advocates complain that under current law, virtually unregulated tobacco companies have huge advantages over pharmaceutical firms in the development and sale of nicotine-delivery products.

Ariva "makes nicotine a recreational drug without concern for the health consequences," says **Gregory Connolly**, head of the Massachusetts health department's tobacco-control program. He and other public-health experts say the launch of the product demonstrates the need for Food and Drug Administration jurisdiction over tobacco, a power that the Supreme Court ruled last year it doesn't have.

Tobacco-control experts also worry that Ariva could appeal to children, hooking them on nicotine and eventually leading them to start smoking. Star points out that Ariva can be sold lawfully only to people who are at least 18 years old. The company is sealing the lozenges in childproof packaging, and its boxes carry warnings that "There is NO safe tobacco product."

UST says its market research shows that more than 40% of America's 47 million smokers are looking for socially acceptable alternatives to cigarettes. **Paul L. Perito**, Star's chairman, says: "We see this as a multibillion market nationally." He adds, "We believe this will be the ultimate disruptive technology in the cigarette industry." Indeed, if Ariva and products like it win over consumers, they could eat into sales of smokes, chewing tobacco and even over-the-counter smoking-cessation aids such as **Nicorette** gum.

Ariva also is likely to widen a split among public-health experts over whether smokers should be encouraged to switch from cigarettes to smokeless tobacco. Nicotine is the addictive substance in cigarettes, but most of the damage they cause is the result of toxic chemicals formed when tobacco is burned. Some scientists, such as Martin Jarvis, an epidemiologist at the Imperial Cancer Research Fund in Britain, say using oral tobacco instead of cigarettes almost certainly would lower the risk to individual smokers.

Other experts reject that idea, pointing out that snuff and other oral tobaccos present risks of their own, ranging from oral cancer to gum disease. They also fear that a product such as Ariva will discourage smokers from quitting. The discomfort smokers feel when they can't light up prompts many of them to quit. But minty-tasting Ariva, which dissolves completely, could provide an attractive alternative to abstinence and allow them to keep smoking when they can.

Star also says Ariva contains sharply lower levels of nitrosamines -- considered the most dangerous carcinogen in smokeless tobacco. But the company acknowledges that there is no evidence that reducing them will lessen users' health risks.

Ariva will have wider profit margins than cigarettes, says Jonnie R. Williams, Star's chief executive officer. The company also says Ariva will be taxed at a much lower rate than cigarettes.

Star, which has called for FDA regulation of tobacco, argues that Ariva is exempt from the agency's jurisdiction under current law because it is a tobacco product, not a food or a drug. The FDA blocked sales of a tobacco-containing gum in the 1980s, saying that it was an adulterated food that did not meet health and safety standards. Mindful of that case, Star has been careful to keep the tobacco content of the lozenges over 60% to strengthen its contention.

An FDA spokesman on Thursday said the agency "would want to look at this product very carefully." He added that it would evaluate how Ariva is marketed, but that, based on a reporter's description of Ariva, it would "probably consider this product to be a food." If that were the case, the FDA could try to assert its authority.

"Ariva clearly is not a food," Mr. Perito counters, saying traditional tobacco products contain flavorings, too. He says he hopes the agency will "welcome to the market" a tobacco product that has fewer toxins.

Star also says it has no intention of marketing Ariva as a smoking-cessation aid. Such products are regulated vigorously by the FDA. **GlaxoSmithKline** PLC, the marketer of Nicorette gum in the U.S., had to prove in large-scale clinical studies that their products were both safe and effective. And the gum has been made deliberately more difficult to use. It takes smokers 20 to 30 minutes of vigorous chewing to get the full dose of nicotine, leading to a more gradual absorption of the drug into the blood stream. Ariva's one milligram of nicotine is absorbed much more quickly, mimicking the effect of snuff or smoking. The average smoker gets about one or two milligrams of the drug from a cigarette.

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